

|                           |   |                       |
|---------------------------|---|-----------------------|
|                           | ) |                       |
| UNITED STATES OF AMERICA, | ) |                       |
|                           | ) |                       |
| Plaintiff,                | ) |                       |
|                           | ) |                       |
| v.                        | ) | No. 1;98-CV-02836     |
|                           | ) | Judge James Robertson |
| PEARSON plc,              | ) |                       |
| PEARSON INC., and         | ) |                       |
| VIACOM INTERNATIONAL INC. | ) |                       |
|                           | ) |                       |
| Defendants.               | ) |                       |
|                           | ) |                       |

It is stipulated by and between the undersigned parties, by their respective attorneys, as follows:

A. The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue of this action is proper in the District for the District of Columbia.

B. The parties stipulate that a Final Judgment in the form hereto attached may be filed and entered by the Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act (15 U.S.C. § 16), and without further notice to any party or other proceedings, provided that plaintiff has not withdrawn its consent, which it may do at any time before the entry of the

proposed Final Judgment by serving notice thereof on defendants and by filing that notice with the Court.

C. Defendants shall abide by and comply with the provisions of the proposed Final Judgment pending entry of the Final Judgment, and shall, from the date of the signing of this Stipulation, comply with all the terms and provisions of the proposed Final Judgment as though the same were in full force and effect as an order of the Court.

D. Defendants will not consummate their transaction before the Court has signed this Stipulation and Order.

E. Pearson shall prepare and deliver affidavits in the form required by the provisions of Section IX of the proposed Final Judgment commencing no later than twenty (20) calendar days after the filing of the Complaint in this action, and every thirty (30) days thereafter pending entry of the Final Judgment.

F. In the event plaintiff withdraws its consent, as provided in paragraph B above, or if the proposed Final Judgment is not entered pursuant to this Stipulation, this Stipulation shall be of no effect whatsoever, and the making of this Stipulation shall be without prejudice to any party in this or any other proceeding.

Dated: June 30, 1999

FOR PLAINTIFF  
UNITED STATES OF AMERICA:

\_\_\_\_\_/S/\_\_\_\_\_  
Mary Jean Moltenbrey, Chief  
United States Department of Justice  
Antitrust Division  
Civil Task Force  
325 7<sup>th</sup> Street, N.W.  
Suite 300  
Washington, DC 20530  
202-616-5935

FOR DEFENDANT  
VIACOM INTERNATIONAL INC.

\_\_\_\_\_/S/\_\_\_\_\_  
Wayne D. Collins  
Shearman & Sterling  
Citicorp Center  
153 East 53rd Street  
New York, N.Y. 10022  
(212) 848-4000

Attorney for Defendant Viacom International Inc.

FOR DEFENDANTS  
PEARSON plc and PEARSON INC.

\_\_\_\_\_/S/\_\_\_\_\_  
Robert S. Schlossberg  
Morgan, Lewis & Bockius LLP  
1800 M Street, N.W.  
Washington, DC 20036-5869  
202-467-7212  
  
Attorney for Defendants Pearson plc and  
Pearson Inc.

SO ORDERED:

\_\_\_\_\_  
United States District Judge

|                           |   |                       |
|---------------------------|---|-----------------------|
|                           | ) |                       |
| UNITED STATES OF AMERICA, | ) |                       |
|                           | ) |                       |
| Plaintiff,                | ) |                       |
|                           | ) |                       |
| v.                        | ) | No. 1;98-CV-02836     |
|                           | ) | Judge James Robertson |
| PEARSON plc,              | ) |                       |
| PEARSON INC., and         | ) |                       |
| VIACOM INTERNATIONAL INC. | ) |                       |
|                           | ) |                       |
| Defendants.               | ) |                       |
|                           | ) |                       |

WHEREAS plaintiff the United States of America (hereinafter "United States"),  
has filed its Complaint herein, and defendants, by their respective attorneys, have consented to the  
entry of this Final Judgment without trial or adjudication of any issue of fact or law herein, and  
without this Final Judgment constituting any evidence against or an admission by any party with  
respect to any issue of law or fact herein;

AND WHEREAS, prompt and certain divestiture of certain assets to one or more third parties to ensure that competition is substantially preserved is the essence of this agreement;

AND WHEREAS, the parties intend to require defendants to divest, as viable lines of business, certain assets so as to ensure, to the sole satisfaction of the United States, that the Acquirer will be able to publish and market the assets as viable lines of business for the purpose of maintaining the current level of competition;

AND WHEREAS, defendants have represented to the United States that the divestitures required below can and will be made as provided in this Final Judgment and that defendants will later raise no claims of hardship or difficulty as grounds for asking the Court to modify any of the divestiture provisions contained below;

NOW, THEREFORE, before the taking of any testimony, and without trial or adjudication of any issue of fact or law herein, and upon consent of the parties hereto, it is hereby ORDERED, ADJUDGED, AND DECREED as follows:

I.

JURISDICTION

This Court has jurisdiction over the subject matter of this action and over each of the parties hereto. The Complaint states a claim upon which relief may be granted against the defendants under Section 7 of the Clayton Act, as amended (15 U.S.C. § 18).

## II.

### DEFINITIONS

As used in this Final Judgment:

A. “Acquirer” means the person(s) to whom Pearson shall sell the Divestiture Products (as defined below).

B. “Divestiture Products” means all of the products identified on Exhibits A and B attached hereto. Each Divestiture Product includes all of the following:

1. unless non-assignable, all licenses, permits and authorizations issued by any governmental or private organization relating to the Divestiture Product;
2. unless non-assignable, all contracts, teaming arrangements, agreements, leases, commitments and understandings and their associated intangible rights pertaining to the Divestiture Product, including, but not limited to author permissions and other similar agreements, adoption and other agreements with purchasers, distribution agreements that relate to the Divestiture Product, vendor or supply agreements with respect to components of the Divestiture Product;
3. unless non-assignable, all original and digital artwork, film plates, and other reproductive materials relating to the Divestiture Product, including, but not limited to all manuscripts and illustrations and any other content and any revisions or revision plans thereof in print or digital form;
4. all sales support and promotional materials, advertising materials and production, sales and marketing files relating to the Divestiture Product;
5. all existing customer lists and credit records, or similar records of all sales and potential sales of the Divestiture Product, and all other records maintained in connection with the Divestiture Product;

6. except as provided in definition B.7, below, and unless non-assignable, all intangible assets relating to the Divestiture Product, including but not limited to all patents, copyrights and trademarks (registered and unregistered), common law trademark rights; licenses and sublicenses, contract rights, intellectual property, maskwork rights, technical information, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, quality assurance and control procedures; design tools; and all manuals and technical information relating to the Divestiture Product provided to employees, customers, suppliers, agents or licensees;
7. all titles of existing products comprising the Divestiture Product, including, but not limited to the titles “Discovery Works,” “Science Horizons,” “Discover the Wonder,” and “Destinations in Science,” as applicable, but not any corporate trademarks or trade names of Pearson or Viacom;
8. all research data concerning historic and current research and development efforts relating to the Divestiture Product; and
9. at Acquirer’s option, computers and other tangible assets used primarily for production of the Divestiture Product.

Pearson shall use its best efforts to facilitate the assignment to the Acquirer of any of the above that Pearson presently holds or uses pursuant to a license or any other agreement.

C. “Pearson” means defendants Pearson plc, a U.K. corporation with its headquarters in London, England, and Pearson Inc., a Delaware corporation with its headquarters in New York, New York, and includes their successors and assigns, their subsidiaries, affiliates, directors, officers, managers, agents and employees.

D. “Retained Product” means any product offered for sale or in development by Pearson or Viacom as of November 1, 1998, that is not a Divestiture Product.

E. “Scott Foresman Addison Wesley” means the publishing activities of Addison Wesley Longman, Inc. and Addison Wesley Educational Publishers, Inc., both wholly owned subsidiaries of Pearson Inc., that result in products bearing the “Scott Foresman,” “Addison Wesley,” “SFAW” or “Scott Foresman Addison Wesley” titles or imprints.

F. “Silver Burdett Ginn Inc.” is a Delaware corporation with its headquarters in Parsippany, New Jersey, and is one hundred percent owned (through various subsidiaries) by Viacom.

G. “Viacom” means defendant Viacom International Inc., a Delaware corporation with its headquarters in New York, New York, and includes its successors and assigns, their subsidiaries, affiliates, directors, officers, managers, agents and employees.

### III.

#### APPLICABILITY

A. The provisions of this Final Judgment apply to the defendants, their successors and assigns, their parents, subsidiaries, affiliates, directors, officers, managers, agents, and employees, and all other persons in active concert or participation with any of them who shall have received actual notice of this Final Judgment by personal service or otherwise.

B. Pearson, as a condition of the sale or other disposition of any or all of the Divestiture Products, shall require the Acquirer to agree to be bound by the provisions of this Final Judgment.

### IV.

#### DIVESTITURE OF ASSETS



A. Pearson is hereby ordered and directed, in accordance with the terms of this Final Judgment, within two (2) months from the date this Final Judgment is filed with the Court, or within ten (10) calendar days from the date on which the sixty-day notice-and-comment period established by 15 U.S.C. § 16(b) has expired, whichever is later, to divest one of the two Divestiture Products listed on Exhibit A to an Acquirer acceptable to the United States, in its sole discretion. The United States, in its sole discretion, may agree to an extension of this time period of up to thirty (30) calendar days.

B. Pearson is hereby ordered and directed, within five (5) months from the date this Final Judgment is filed with the Court, or within ten (10) calendar days from the date on which the sixty-day notice-and-comment period established by 15 U.S.C. § 16(b) has expired, whichever is later, to divest all of the Divestiture Products listed on Exhibit B. The United States, in its sole discretion, may agree to an extension of this time period of up to thirty (30) calendar days.

C. Divestiture of the Divestiture Products shall be accomplished in such a way as to satisfy the United States, in its sole discretion, that the Divestiture Products can and will be operated by the Acquirer as viable, ongoing businesses. Divestiture of the Divestiture Products shall be made to an Acquirer for whom it is demonstrated to the sole satisfaction of the United States that (1) the purchase is for the purpose of competing effectively in the publication and sale of the Divestiture Products, and (2) the Acquirer has the managerial, operational, and financial capability to compete effectively in the publication and sale of the Divestiture Products.

Defendants are prohibited from entering into any agreement with the Acquirer to license exclusively any Divestiture Product to the Defendants for sale in the United States.

D. Pearson shall retain the right to use a Divestiture Product listed on Exhibit A to the extent necessary to fulfill the terms of agreements, in effect as of the date this Final Judgment is filed with the Court, with purchasers of the product lines listed on Exhibit A. The Acquirer of one of the Divestiture Products listed on Exhibit A shall grant Pearson a royalty-free license to continue to use that Divestiture Product to the extent necessary to fulfill the terms of such existing agreements. The Acquirer of any Divestiture Product that Pearson currently uses, in whole or in part, in any Retained Product, shall grant Pearson a royalty-free license to continue to use the Divestiture Product to the same extent in the production and sale of the Retained Product.

E. In accomplishing the divestiture ordered by this Final Judgment, the defendants shall make known, as expeditiously as possible, the availability of the Divestiture Products. The defendants shall provide any person making inquiry regarding a possible purchase a copy of the Final Judgment. The defendants shall also offer to furnish to any bona fide prospective Acquirer, subject to customary confidentiality assurances, all reasonably necessary information regarding the Divestiture Products, except such information subject to attorney-client privilege or attorney work-product privilege. Defendants shall make available such information to the United States at the same time that such information is made available to any other person. Defendants shall permit bona fide prospective purchasers of the Divestiture Products to have access to personnel and to make such inspection of physical facilities and any and all financial,

operational, or other documents and information as may be relevant to the divestiture required by this Final Judgment.

F. Defendants shall use all commercially practical means to enable the Acquirer of one of the Divestiture Products listed on Exhibit A to employ those personnel primarily responsible for the editorial content of that Divestiture Product, including editors, authors, and science experts. Defendants shall encourage and facilitate employment of such employees by the Acquirer of one of the Divestiture Products listed on Exhibit A, and shall remove any impediments that may deter these employees from accepting such employment.

G. Defendants shall make available to the Acquirer of any Divestiture Product, as applicable, information about any Pearson or Viacom employee primarily responsible for the editorial content of any Divestiture Product listed on Exhibit B, and any Pearson or Viacom employee primarily responsible for the production, design, layout, sale or marketing of any Divestiture Product. Defendants shall not interfere with any negotiations by the Acquirer to employ any such employee, but may make counter-offers for employment.

H. Pearson shall take all reasonable steps to accomplish quickly the divestitures contemplated by this Final Judgment.

## V.

### APPOINTMENT OF TRUSTEE

A. In the event that Pearson has not divested a Divestiture Product within the time specified in Section IV.A or IV.B of this Final Judgment, Pearson shall notify the United

States of that fact in writing. Upon application of the United States, the Court shall appoint a trustee selected by the United States, in its sole discretion, to effect the divestiture of the Divestiture Products. Unless the United States otherwise consents in writing, the divestiture shall be accomplished in such a way as to satisfy the United States that the Divestiture Products can and will be used by the Acquirer as viable on-going businesses. The divestiture shall be made to an Acquirer for whom it is demonstrated to the United States' sole satisfaction that the Acquirer has the managerial, operational, and financial capability to compete effectively in the publication and sale of the Divestiture Products, and that none of the terms of the divestiture agreement interfere with the ability of the Acquirer to compete effectively in the publication and sale of the Divestiture Products.

B. After the appointment of a trustee becomes effective, only the trustee shall have the right to sell the Divestiture Products. The trustee shall have the power and authority to accomplish the divestiture at the best price then obtainable upon a reasonable effort by the trustee, subject to the provisions of Sections IV, V and VI of this Final Judgment, and shall have such other powers as the Court shall deem appropriate. The trustee shall have the power and authority to hire at the cost and expense of Pearson any investment bankers, attorneys, or other agents reasonably necessary in the judgment of the trustee to assist in the divestiture, and such professionals and agents shall be solely accountable to the trustee. The trustee shall have the power and authority to accomplish the divestiture at the earliest possible time to a purchaser acceptable to the United States, and shall have such other powers as this Court shall deem appropriate. Defendants shall not object to a sale by the trustee on any grounds other than the

trustee's malfeasance. Any such objections by defendants must be conveyed in writing to the United States and the trustee within ten (10) days after the trustee has provided the notice required under Section VI of this Final Judgment.

C. Pearson may select which of the two Divestiture Products listed on Exhibit A shall be sold by the trustee, provided that the United States determines, in its sole discretion, that the Divestiture Product selected by Pearson has been developed and maintained at levels sufficient to ensure its competitive viability. Pearson shall provide the United States with information to enable the United States to make this determination. Should the United States determine, in its sole discretion, that the Divestiture Product selected by Pearson has not been developed and maintained at levels sufficient to ensure its competitive viability, the trustee shall sell the other Divestiture Product listed on Exhibit A.

D. The trustee shall serve at the cost and expense of Pearson, on such terms and conditions as the Court may prescribe, and shall account for all monies derived from the sale of the assets sold by the trustee and all costs and expenses so incurred. After approval by the Court of the trustee's accounting, including fees for its services and those of any professionals and agents retained by the trustee, all remaining money shall be paid to Pearson and the trust shall then be terminated. The compensation of such trustee and that of any professionals and agents retained by the trustee shall be reasonable in light of the value of the Divestiture Products and based on a fee arrangement providing the trustee with an incentive based on the price and terms of the divestiture and the speed with which it is accomplished.

E. Pearson and Viacom shall use their best efforts to assist the trustee in accomplishing the required divestiture. The trustee and any consultants, accountants, attorneys, and other persons retained by the trustee shall have full and complete access to the personnel, books, records, and facilities of Pearson and Viacom, and defendants shall develop financial or other information relevant to such assets as the trustee may reasonably request, subject to reasonable protection for trade secret or other confidential research, development, or commercial information. Defendants shall take no action to interfere with or to impede the trustee's accomplishment of the divestiture.

F. After its appointment, the trustee shall file monthly reports with the parties and the Court setting forth the trustee's efforts to accomplish the divestiture ordered under this Final Judgment. Such reports shall include the name, address and telephone number of each person who, during the preceding month, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire or was contacted about acquiring any interest in any Divestiture Product, and shall describe in detail each contact with any such person during that period. The trustee shall maintain full records of all efforts made to divest the Divestiture Products.

G. If the trustee has not accomplished such divestiture within six (6) months after its appointment, the trustee shall thereupon promptly file with the Court a report setting forth (1) the trustee's efforts to accomplish the required divestiture, (2) the reasons, in the trustee's judgment, why the required divestiture has not been accomplished, and (3) the trustee's recommendations; provided, however, that to the extent such reports contain information that the

trustee deems confidential, such reports shall not be filed on the public docket of the Court. The trustee shall at the same time furnish such report to the parties, who shall each have the right to be heard and to make additional recommendations consistent with the purpose of the trust. The Court shall thereafter enter such orders as it shall deem appropriate in order to carry out the purpose of the trust, which may, if necessary, include extending the trust and the term of the trustee's appointment by a period requested by the United States.

## VI.

### NOTIFICATION

Within two (2) business days following execution of a definitive agreement, contingent upon compliance with the terms of this Final Judgment, Pearson or the trustee, whichever is then responsible for effecting the divestiture required herein, shall notify the United States of any proposed divestiture pursuant to Section IV or V of this Final Judgment. If the trustee is responsible, it shall similarly notify Pearson. The notice shall set forth the details of the proposed transaction and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to acquire any ownership interest in the Divestiture Products, together with full details of the same. Within fifteen (15) days after receipt of the notice, the United States may request additional information from Pearson, the proposed Acquirer, or any other third party concerning the proposed divestiture, the proposed Acquirer, and any other potential Acquirer. Pearson or the trustee shall furnish the additional information within fifteen (15) days of the receipt of the request unless the parties agree

otherwise. Within thirty (30) days after receipt of the notice or within twenty (20) days after the United States' receipt of the additional information, whichever is later, the United States shall notify in writing Pearson and the trustee, if there is one, stating whether it objects to the proposed divestiture. If the United States notifies in writing Pearson and the trustee, if there is one, that it does not object, then the divestiture may be consummated, subject only to Pearson's limited right to object to the sale under Section V.B of this Final Judgment. Absent written notice that the United States does not object to the proposed Acquirer, or upon objection by the United States, a divestiture proposed under Section IV or V shall not be consummated. Upon objection by Pearson under Section V.B, the proposed divestiture shall not be accomplished unless approved by the Court.

## VII.

### FINANCING

Pearson shall not finance all or any part of any purchase made pursuant to Sections IV or V of this Final Judgment.

## VIII.

### PRESERVATION OF ASSETS

Until the divestitures required by Section IV.A and IV.B of this Final Judgment have been accomplished:



A. Defendants shall take all steps necessary to ensure that each Divestiture Product will be maintained and developed as an independent, ongoing, economically viable and active competitor in its respective line of business and that the product management for all Divestiture Products, including the product development, marketing and pricing information and decision-making be kept separate and apart from, and not influenced by, Pearson's and Viacom's businesses in other products.

B. Defendants shall use all reasonable efforts to maintain and increase sales of the Divestiture Products, and shall maintain at 1998 or previously approved levels for 1999, whichever is applicable, development, promotional advertising, sales, marketing, and merchandising support for the Divestiture Products.

C. Defendants shall take all steps necessary to ensure that the Divestiture Products are fully maintained. Defendants shall not transfer or reassign those personnel primarily responsible for the editorial content of the Divestiture Products listed on Exhibit A, including editors, authors, and science experts. Each of defendants' employees whose predominant responsibility is the editorial content of any Divestiture Product listed on Exhibit B, or the production, design, layout, sale or marketing of any Divestiture Product shall not be transferred or reassigned to any other of defendants' products, except for transfer bids initiated by employees pursuant to defendants' regular, established job posting policy, provided that defendants give the United States and Acquirer ten (10) days' notice of such transfer.

D. Defendants shall continue to fund and develop the Divestiture Products listed on Exhibit A as they would have been funded and developed without their transaction until one is sold pursuant to this Final Judgment.

E. Except as part of a divestiture approved by the United States, in its sole discretion, defendants shall not sell any Divestiture Products.

F. Defendants shall take no action that would jeopardize the sale of the Divestiture Products, or that would interfere with the ability of any Trustee to effect a sale of any Divestiture Product.

G. Defendants shall appoint a person or persons to manage the Divestiture Products, and who shall be responsible for defendants' compliance with this section.

## IX.

### AFFIDAVITS

A. Within twenty (20) calendar days of the filing of the Complaint in this action, and every thirty (30) calendar days thereafter until the divestiture has been completed, whether pursuant to Section IV or V of this Final Judgment, Pearson shall deliver to the United States an affidavit as to the fact and manner of compliance with Section IV or V of this Final Judgment. Each such affidavit shall include the name, address, and telephone number of each person, who, during the preceding thirty (30) days, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in all or any portion of the Divestiture Products, and shall describe in detail

each contact with any such person during that period. Each such affidavit shall also include a description of the efforts Pearson has taken to solicit an Acquirer for any of the Divestiture Products and to provide required information to prospective Acquirers, including the limitation, if any, on such information.

B. Within twenty (20) calendar days of the filing of the Complaint in this action, Pearson shall deliver to the United States an affidavit that describes in reasonable detail all actions Pearson has taken and all steps Pearson has implemented on an ongoing basis to comply with Section VIII of this Final Judgment. The affidavit shall describe, but not be limited to, Pearson's efforts to maintain and operate the Divestiture Products as active competitors, maintain the management, staffing, research and development activities, sales, marketing and pricing of the Divestiture Products, and maintain the Divestiture Products in operable condition at current capacity configurations. Pearson shall deliver to the United States an affidavit describing any changes to the efforts and actions outlined in Pearson's earlier affidavit(s) filed pursuant to this section with fifteen (15) calendar days after the change is implemented.

C. Until one year after a divestiture has been completed, or, if a divestiture is not completed, one year after the trust under Section V is terminated, Pearson shall preserve all records of all efforts made to preserve and divest the Divestiture Products.

X.

#### COMPLIANCE INSPECTION

For the purpose of determining or securing compliance with this Final Judgment, and subject to any legally recognized privilege, from time to time:

A. Duly authorized representatives of the United States, including consultants and other persons retained by the United States, shall, upon the written request of the Assistant Attorney General in charge of the Antitrust Division and on reasonable notice to Pearson made to its principal offices, be permitted:

1. access during office hours to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of Pearson, which may have counsel present, relating to any matters contained in this Final Judgment; and
2. subject to the reasonable convenience of Pearson and without restraint or interference from it, to interview, either informally or on the record, directors, officers, employees, and agents of Pearson, which may have counsel present, regarding any such matters.

B. Upon the written request of the Assistant Attorney General in charge of the Antitrust Division made to Pearson at its principal offices, Pearson shall submit written reports, under oath if requested, with respect to any of the matters contained in this Final Judgment as may be requested.

C. No information nor any documents obtained by the means provided in this Section X shall be divulged by any representative of the United States to any person other than a duly authorized representative of the Executive Branch of the United States, except in the course of legal proceedings to which the United States is a party (including grand jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by Pearson to the United States, Pearson represents and identifies in writing the material in any such information or documents for which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and Pearson marks each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then the United States shall give ten (10) days' notice to Pearson prior to divulging such material in any legal proceeding (other than a grand jury proceeding) to which Pearson is not a party.

## XI.

### RETENTION OF JURISDICTION

Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the construction, implementation, or modification of any of the provisions of this Final Judgment, for the enforcement of compliance herewith, and for the punishment of any violations hereof.

## XII.

### TERMINATION OF PROVISIONS

This Final Judgment will expire on the tenth anniversary of the date of its entry.

## XIII.

### PUBLIC INTEREST

Entry of this Final Judgment is in the public interest.

Dated: \_\_\_\_\_

Court approval subject to procedures of  
Antitrust Procedures and Penalties Act, 15  
U.S.C. § 16.

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United States District Judge

## EXHIBIT A

1. All textbooks or other educational materials offered for sale or provided or under development by any subsidiary or division of Silver Burdett Ginn Inc. that refer or relate to the subject matter of science for grades Kindergarten through six, including, but not limited to (1) student editions; (2) teacher editions; (3) supplemental materials, including, but not limited to workbooks, notebooks, charts, audio, video, software, CD-ROM, Internet and broadcast components, manipulatives and equipment, and similar materials; (4) teacher support and staff development materials, including, but not limited to teacher resource books, assessment materials and answer keys, test generators, teaching guides, overhead transparencies, lesson plans and outlines and curriculum materials; and (5) any other materials in any form, format or media marketed or intended to be marketed as being ancillary to the program or to an individual title within the program. This Divestiture Product does *not* include any products that are necessary to fulfill the terms of agreements between Silver Burdett Ginn Inc. and purchasers of products relating to the subject matter of science for grades Kindergarten through six that are in existence as of the date this Final Judgment is filed with the Court.

*or*

2. All textbooks or other educational materials offered for sale or provided or under development by any subsidiary or division of Pearson Inc. doing business as Scott Foresman Addison Wesley that refer or relate to the subject matter of science for grades Kindergarten through six, including, but not limited to (1) student editions; (2) teacher editions; (3) supplemental materials, including, but not limited to workbooks, notebooks, charts, audio, video, software, CD-ROM, Internet and broadcast components, manipulatives and equipment, and similar materials; (4) teacher support and staff development materials, including, but not limited to teacher resource books, assessment materials and answer keys, test generators, teaching guides, overhead transparencies, lesson plans and outlines and curriculum materials; and (5) any other materials in any form, format or media marketed or intended to be marketed as being ancillary to the program or to an individual title within the program. This Divestiture Product does *not* include any products that are necessary to fulfill the terms of agreements between Pearson Inc. and purchasers of products relating to the subject matter of science for grades Kindergarten through six that are in existence as of the date this Final Judgment is filed with the Court.

## EXHIBIT B

| COLLEGE COURSE                  | DIVESTITURE PRODUCTS                                                                                                                                                                                                                                                                                                                         |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Abstract Algebra                | Herstein, <i>Abstract Algebra</i> (Prentice Hall)<br>Dummit/Foote, <i>Abstract Algebra</i> (Prentice Hall)                                                                                                                                                                                                                                   |
| Anatomy & Physiology (One Term) | Tortora, <i>Introduction to the Human Body: The Essentials of Anatomy and Physiology</i> (Addison Wesley)                                                                                                                                                                                                                                    |
| Anatomy & Physiology (Two Term) | Tortora/Grabowski, <i>Principles of Anatomy and Physiology</i> (Addison Wesley)                                                                                                                                                                                                                                                              |
| Art Appreciation                | Fichner-Rathus, <i>Understanding Art</i> (Prentice Hall)                                                                                                                                                                                                                                                                                     |
| Circuits and Networks           | Irwin, <i>Basic Engineering Circuit Analysis</i> (Prentice Hall)<br><br>Johnson/Johnson/Hilbrun/Scott, <i>Electric Circuit Analysis</i> (Prentice Hall)<br><br>Thomas/Rosa, <i>The Analysis &amp; Design of Linear Circuits</i> (Prentice Hall)<br><br>Johnson/Hilbrun/Johnson/Scott, <i>Basic Electric Circuit Analysis</i> (Prentice Hall) |
| Classical Mythology             | Morford/Lenardon, <i>Classical Mythology</i> (Addison Wesley)                                                                                                                                                                                                                                                                                |
| Classroom Management            | Wolfgang, <i>Solving Discipline Problems</i> (Allyn & Bacon)<br><br>Cangelosi, <i>Classroom Management Strategies</i> (Addison Wesley)<br><br>Edwards, <i>Classroom Discipline &amp; Management</i> (Prentice Hall)<br><br>Burden, <i>Classroom Management &amp; Discipline</i> (Addison Wesley)                                             |
| Concrete Engineering            | McCormac, <i>Design of Reinforced Concrete</i> (Addison Wesley)<br><br>Wang/Salmon, <i>Reinforced Concrete Design</i> (Addison Wesley)                                                                                                                                                                                                       |



|                                            |                                                                                                                                                                                                                                                                                     |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Controls Engineering</b>                | Nise, <i>Control Systems Engineering</i> (Addison Wesley)<br>Kuo, <i>Automatic Control Systems</i> (Prentice Hall)                                                                                                                                                                  |
| <b>Environmental Economics</b>             | Goodstein, <i>Economics and the Environment</i> (Prentice Hall)                                                                                                                                                                                                                     |
| <b>Fortran</b>                             | Etter, <i>Structured Fortran 77 for Engineers and Scientists</i> (Addison Wesley)<br>Etter, <i>Fortran 90 for Engineers</i> (Addison Wesley)                                                                                                                                        |
| <b>Human Anatomy</b>                       | Tortora, <i>Principles of Human Anatomy</i> (Addison Wesley)                                                                                                                                                                                                                        |
| <b>Human &amp; Cultural Geography</b>      | Jordan-Bychkov/Domosh, <i>The Human Mosaic: A Thematic Introduction to Cultural Geography</i> (Addison Wesley)                                                                                                                                                                      |
| <b>Instructional Design</b>                | Smith/Ragan, <i>Instructional Design</i> (Merrill -- Prentice Hall)<br>Kemp/Morrison/Ross, <i>Designing Effective Instruction</i> (Merrill -- Prentice Hall)<br>Rothwell/Kazanas, <i>Mastering the Instructional Design Process: A Systematic Approach</i> (Jossey-Bass Publishers) |
| <b>Intermediate Microeconomics</b>         | Browning/Zupan, <i>Microeconomic Theory and Applications</i> (Addison Wesley)                                                                                                                                                                                                       |
| <b>International Corporate Finance</b>     | Shapiro, <i>Multinational Financial Management</i> (Prentice Hall)<br>Shapiro, <i>Foundations of Multinational Financial Management</i> (Prentice Hall)                                                                                                                             |
| <b>International Economics</b>             | Salvatore, <i>International Economics</i> (Prentice Hall)                                                                                                                                                                                                                           |
| <b>K-12 Curriculum</b>                     | McNeil, <i>Curriculum: A Comprehensive Introduction</i> (Addison Wesley)                                                                                                                                                                                                            |
| <b>Manufacturing Engineering</b>           | Groover, <i>Fundamentals of Modern Manufacturing</i> (Prentice Hall)<br>Degarmo/Black/Kohser, <i>Materials and Processes in Manufacturing</i> (Prentice Hall)                                                                                                                       |
| <b>Mathematics for Elementary Teachers</b> | Musser/Burger, <i>Mathematics for Elementary Teachers</i> (Prentice Hall)                                                                                                                                                                                                           |

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| <b>Measurement and Assessment of Students</b> | Kubiszyn/Borich, <i>Educational Testing &amp; Measurement</i> (Addison Wesley)                                                                                                                                                                                                                                                                                                                |
| <b>Microbiology (Non-majors)</b>              | Black, <i>Microbiology: Principles and Applications</i> (Prentice Hall)                                                                                                                                                                                                                                                                                                                       |
| <b>Multicultural Education</b>                | Banks/Banks, <i>Multicultural Education: Issues and Perspectives</i> (Allyn & Bacon)<br><br>Grant/Sleeter, <i>Turning on Learning: Five Approaches for Multicultural Teaching Plans for Race, Class, Gender and Disability</i> (Prentice Hall)<br><br>Sleeter/Grant, <i>Making Choices for Multicultural Education: Five Approaches to Race, Class, and Gender</i> (Merrill -- Prentice Hall) |
| <b>Operating Systems</b>                      | Silberschatz/Galvin, <i>Operating System Concepts</i> (Addison Wesley)                                                                                                                                                                                                                                                                                                                        |
| <b>School Administration: Supervision</b>     | Acheson/Gall, <i>Techniques in the Clinical Supervision of Teachers</i> (Addison Wesley)<br><br>Oliva/Pawlis, <i>Supervision for Today's Schools</i> (Addison Wesley)                                                                                                                                                                                                                         |
| <b>Structural Engineering</b>                 | McCormac/Nelson, <i>Structural Analysis: A Classical &amp; Matrix Approach</i> (Addison Wesley)                                                                                                                                                                                                                                                                                               |
| <b>Surveying</b>                              | McCormac, <i>Surveying Fundamentals</i> (Prentice Hall)                                                                                                                                                                                                                                                                                                                                       |
| <b>Teaching Math to Elementary Students</b>   | Reys/Suydam/Lindquist/Smith, <i>Helping Children Learn Mathematics</i> (Allyn & Bacon)<br><br>Hatfield/Edwards/Bitter, <i>Mathematics Methods for Elementary and Middle School</i> (Ally & Bacon)<br><br>Sheffield/Cruikshank, <i>Teaching and Learning Elementary and Middle School Mathematics</i> (Merrill -- Prentice Hall)<br><br>Heddens, <i>Today's Mathematics</i> (Prentice Hall)    |

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| <b>Teaching Reading to Secondary Students</b> | <p>Ruddell, <i>Teaching Content Reading &amp; Writing</i> (Allyn &amp; Bacon)</p> <p>Ryder, <i>Reading and Learning in the Content Areas</i> (Prentice Hall)</p> <p>Cooter/Flynt, <i>Teaching Reading in Content Areas</i> (Prentice Hall)</p> <p>Manzo/Manzo, <i>Content Area Literacy</i> (Merrill -- Prentice Hall)</p> |
| <b>Technical Math</b>                         | Calter, <i>Technical Mathematics</i> (Prentice Hall)                                                                                                                                                                                                                                                                       |
| <b>Technical Math with Calculus</b>           | Calter, <i>Technical Mathematics with Calculus</i> (Prentice Hall)                                                                                                                                                                                                                                                         |
| <b>Technical Writing</b>                      | Houp, <i>Reporting Technical Information</i> (Allyn & Bacon)                                                                                                                                                                                                                                                               |